

In the Senate of the United States,

September 17, 1998.

Resolved, That the bill from the House of Representatives (H.R. 3874) entitled “An Act to amend the National School Lunch Act and the Child Nutrition Act of 1966 to provide children with increased access to food and nutrition assistance, to simplify program operations and improve program management, to extend certain authorities contained in those Acts through fiscal year 2003, and for other purposes.”, do pass with the following

AMENDMENT:

Strike out all after the enacting clause and insert:

1 ***SECTION 1. SHORT TITLE; TABLE OF CONTENTS.***

2 (a) *SHORT TITLE*.—*This Act may be cited as the*
3 *“Child Nutrition and WIC Reauthorization Amendments of*
4 *1998”*.

5 (b) *TABLE OF CONTENTS*.—*The table of contents of this*
6 *Act is as follows:*

Sec. 1. Short title; table of contents.

TITLE I—SCHOOL LUNCH AND RELATED PROGRAMS

- Sec. 101. Technical amendments to commodity provisions.*
- Sec. 102. Waiver of requirement for weighted averages for nutrient analysis.*
- Sec. 103. Requirement for food safety inspections.*
- Sec. 104. Elimination of administration of programs by regional offices.*
- Sec. 105. Special assistance.*
- Sec. 106. Adjustments to payment rates.*
- Sec. 107. Adjustments to reimbursement rates.*
- Sec. 108. Criminal penalties.*
- Sec. 109. Food and nutrition projects.*
- Sec. 110. Establishment of an adequate meal service period.*
- Sec. 111. Buy American.*
- Sec. 112. Procurement contracts.*
- Sec. 113. Summer food service program for children.*
- Sec. 114. Commodity distribution program.*
- Sec. 115. Child and adult care food program.*
- Sec. 116. Transfer of homeless assistance programs to child and adult care food program.*
- Sec. 117. Meal supplements for children in afterschool care.*
- Sec. 118. Pilot projects.*
- Sec. 119. Breakfast pilot projects.*
- Sec. 120. Training and technical assistance.*
- Sec. 121. Food service management institute.*
- Sec. 122. Compliance and accountability.*
- Sec. 123. Information clearinghouse.*
- Sec. 124. Refocusing of effort to help accommodate the special dietary needs of individuals with disabilities.*

TITLE II—SCHOOL BREAKFAST AND RELATED PROGRAMS

- Sec. 201. Elimination of administration of programs by regional offices.*
- Sec. 202. State administrative expenses.*
- Sec. 203. Special supplemental nutrition program for women, infants, and children.*
- Sec. 204. Nutrition education and training.*

TITLE III—COMMODITY DISTRIBUTION PROGRAMS

- Sec. 301. Commodity distribution program reforms.*
- Sec. 302. Food distribution.*

TITLE IV—EFFECTIVE DATE

- Sec. 401. Effective date.*

1 ***TITLE I—SCHOOL LUNCH AND***
 2 ***RELATED PROGRAMS***

3 ***SEC. 101. TECHNICAL AMENDMENTS TO COMMODITY PROVI-***
 4 ***SIONS.***

5 *(a) IN GENERAL.—Section 6 of the National School*
 6 *Lunch Act (42 U.S.C. 1755) is amended—*

7 *(1) by striking subsections (c) and (d); and*

8 *(2) by redesignating subsections (e), (f), and (g)*
 9 *as subsections (c), (d), and (e), respectively.*

10 *(b) CONFORMING AMENDMENTS.—The National School*
 11 *Lunch Act is amended by striking “section 6(e)” each place*
 12 *it appears in sections 14(f), 16(a), and 17(h)(1)(B) (42*
 13 *U.S.C. 1762a(f), 1765(a), 1766(h)(1)(B)) and inserting*
 14 *“section 6(c)”.*

15 ***SEC. 102. WAIVER OF REQUIREMENT FOR WEIGHTED AVER-***
 16 ***AGES FOR NUTRIENT ANALYSIS.***

17 *Section 9(f) of the National School Lunch Act (42*
 18 *U.S.C. 1758(f)) is amended by adding at the end the follow-*
 19 *ing:*

20 ***“(5) WAIVER OF REQUIREMENT FOR WEIGHTED***
 21 ***AVERAGES FOR NUTRIENT ANALYSIS.—During the pe-***
 22 ***riod ending on September 30, 2003, the Secretary***
 23 ***shall not require the use of weighted averages for nu-***
 24 ***trient analysis of menu items and foods offered or***

1 served as part of a reimbursable meal under the
2 school lunch or school breakfast program.”.

3 **SEC. 103. REQUIREMENT FOR FOOD SAFETY INSPECTIONS.**

4 Section 9 of the National School Lunch Act (42 U.S.C.
5 1758) is amended by adding at the end the following:

6 “(h) *FOOD SAFETY INSPECTIONS.*—

7 “(1) *IN GENERAL.*—Except as provided in para-
8 graph (2), a school participating in the school lunch
9 program authorized under this Act or the school
10 breakfast program authorized under section 4 of the
11 Child Nutrition Act of 1966 (42 U.S.C. 1773) shall,
12 at least once during each school year, obtain a food
13 safety inspection conducted by a State or local gov-
14 ernmental agency responsible for food safety inspec-
15 tions.

16 “(2) *EXCEPTION.*—Paragraph (1) shall not
17 apply to a school if a food safety inspection of the
18 school is required by a State or local authority.”.

19 **SEC. 104. ELIMINATION OF ADMINISTRATION OF PRO-**
20 **GRAMS BY REGIONAL OFFICES.**

21 (a) *IN GENERAL.*—Section 10 of the National School
22 Lunch Act (42 U.S.C. 1759) is amended to read as follows:

23 **“SEC. 10. DISBURSEMENT TO SCHOOLS BY THE SECRETARY.**

24 “(a) *AUTHORITY TO ADMINISTER PROGRAMS.*—

1 “(1) *IN GENERAL.*—*Except as provided in para-*
2 *graph (3), during the period determined under sub-*
3 *section (c), the Secretary shall withhold funds payable*
4 *to a State under this Act and disburse the funds di-*
5 *rectly to school food authorities, institutions, and*
6 *service institutions within the State for the purposes*
7 *authorized by this Act to the extent that the Secretary*
8 *has so withheld and disbursed the funds continuously*
9 *since October 1, 1980.*

10 “(2) *USE OF FUNDS.*—*Any funds withheld and*
11 *disbursed by the Secretary under paragraph (1) shall*
12 *be used for the same purposes and be subject to the*
13 *same conditions as apply to disbursing funds made*
14 *available to States under this Act.*

15 “(3) *STATE ADMINISTRATION.*—*If the Secretary*
16 *is administering (in whole or in part) any program*
17 *authorized under this Act in a State, the State may,*
18 *on request to the Secretary, assume administrative re-*
19 *sponsibility for the program at any time during the*
20 *period determined under subsection (c).*

21 “(b) *PROVISION OF TRAINING AND TECHNICAL ASSIST-*
22 *ANCE.*—*During the period determined under subsection (c),*
23 *the Secretary shall provide a State that assumes adminis-*
24 *trative responsibility for a program from the Secretary with*

1 *training and technical assistance to allow for an efficient*
 2 *and effective transfer of the responsibility.*

3 “(c) *PERIOD.*—

4 “(1) *IN GENERAL.*—*Except as provided in para-*
 5 *graph (2), this section shall apply during the period*
 6 *beginning on October 1, 1998, and ending on Septem-*
 7 *ber 30, 2001.*

8 “(2) *EXTENSION.*—*The Secretary may extend the*
 9 *period described in paragraph (1) that applies to a*
 10 *program administered by the Secretary for a State,*
 11 *for a period not to exceed 2 years, if the State—*

12 “(A) *demonstrates to the Secretary that the*
 13 *State will not be able to assume administrative*
 14 *responsibility for the program during the period*
 15 *described in paragraph (1); and*

16 “(B) *submits a plan to the Secretary that*
 17 *describes when and how the State will assume*
 18 *administrative responsibility for the program.”.*

19 (b) *CONFORMING AMENDMENTS.*—

20 (1) *Section 7(b) of the National School Lunch*
 21 *Act (42 U.S.C. 1756(b)) is amended in the second*
 22 *sentence by striking “No” and inserting “During the*
 23 *period determined under section 10(c), no”.*

24 (2) *Section 11(a)(1)(A) of the National School*
 25 *Lunch Act (42 U.S.C. 1759a(a)(1)(A)) is amended by*

1 *inserting after “section 10 of this Act” the following:*
 2 *“(during the period determined under section 10(c))”.*

3 **SEC. 105. SPECIAL ASSISTANCE.**

4 *Section 11(a)(1) of the National School Lunch Act (42*
 5 *U.S.C. 1759a(a)(1)) is amended—*

6 *(1) in subparagraph (C)—*

7 *(A) in clause (i)(I), by striking “3 succes-*
 8 *sive school years” each place it appears and in-*
 9 *serting “4 successive school years”; and*

10 *(B) in clauses (ii) and (iii), by striking “3-*
 11 *school-year period” each place it appears and in-*
 12 *serting “4-school-year period”; and*

13 *(2) in subparagraph (D)—*

14 *(A) in clause (i)—*

15 *(i) by striking “3-school-year period”*
 16 *each place it appears and inserting “4-*
 17 *school-year period”; and*

18 *(ii) by striking “2 school years” and*
 19 *inserting “4 school years”;*

20 *(B) in clause (ii)—*

21 *(i) by striking the first sentence; and*

22 *(ii) by striking “5-school-year period”*
 23 *each place it appears and inserting “4-*
 24 *school-year period”; and*

1 (C) in clause (iii), by striking “5-school-
 2 year period” and inserting “4-school-year pe-
 3 riod”.

4 **SEC. 106. ADJUSTMENTS TO PAYMENT RATES.**

5 (a) *IN GENERAL*.—Section 11(a)(3)(B) of the National
 6 School Lunch Act (42 U.S.C. 1759a(a)(3)(B)) is amend-
 7 ed—

8 (1) by striking “(B) The annual” and inserting
 9 the following:

10 “(B) *COMPUTATION OF ADJUSTMENT*.—

11 “(i) *IN GENERAL*.—The annual”;

12 (2) by striking “Each annual” and inserting the
 13 following:

14 “(ii) *BASIS*.—Each annual”;

15 (3) by striking “The adjustments” and inserting
 16 the following:

17 “(iii) *ROUNDING*.—

18 “(I) *THROUGH APRIL 30, 1999*.—

19 For the period ending April 30, 1999,
 20 the adjustments”; and

21 (4) by adding at the end the following:

22 “(II) *MAY 1, 1999, THROUGH JUNE*

23 30, 1999.—For the period beginning on

24 May 1, 1999, and ending on June 30,

25 1999, the national average payment

1 *rates for meals and supplements shall*
 2 *be adjusted to the nearest lower cent*
 3 *increment and shall be based on the*
 4 *unrounded amounts used to calculate*
 5 *the rates in effect on July 1, 1998.*

6 “(III) JULY 1, 1999, AND THERE-
 7 AFTER.—On July 1, 1999, and on each
 8 subsequent July 1, the national aver-
 9 age payment rates for meals and sup-
 10 plements shall be adjusted to the near-
 11 est lower cent increment and shall be
 12 based on the unrounded amounts for
 13 the preceding 12-month period.”.

14 (b) CONFORMING AMENDMENTS.—Section 4(b) of the
 15 Child Nutrition Act of 1966 (42 U.S.C. 1773(b)) is amend-
 16 ed—

17 (1) in the second sentence of paragraph (1)(B),
 18 by striking “adjusted to the nearest one-fourth cent,”;
 19 and

20 (2) in paragraph (2)(B)(ii), by striking “to the
 21 nearest one-fourth cent”.

22 **SEC. 107. ADJUSTMENTS TO REIMBURSEMENT RATES.**

23 Section 12 of the National School Lunch Act (42
 24 U.S.C. 1760) is amended by striking subsection (f) and in-
 25 serting the following:

1 “(f) *ADJUSTMENTS TO REIMBURSEMENT RATES.*—In
 2 *providing assistance for breakfasts, lunches, suppers, and*
 3 *supplements served in Alaska, Hawaii, Guam, American*
 4 *Samoa, Puerto Rico, the Virgin Islands, and the Common-*
 5 *wealth of the Northern Mariana Islands, the Secretary may*
 6 *establish appropriate adjustments for each such State to the*
 7 *national average payment rates prescribed under sections*
 8 *4, 11, 13 and 17 of this Act and section 4 of the Child*
 9 *Nutrition Act of 1966 (42 U.S.C. 1773) to reflect the dif-*
 10 *ferences between the costs of providing meals in those States*
 11 *and the costs of providing meals in all other States.”.*

12 **SEC. 108. CRIMINAL PENALTIES.**

13 Section 12(g) of the National School Lunch Act (42
 14 U.S.C. 1760(g)) is amended by striking “\$10,000” and in-
 15 serting “\$25,000”.

16 **SEC. 109. FOOD AND NUTRITION PROJECTS.**

17 Section 12(m) of the National School Lunch Act (42
 18 U.S.C. 1760(m)) is amended by striking “1998” each place
 19 it appears and inserting “2003”.

20 **SEC. 110. ESTABLISHMENT OF AN ADEQUATE MEAL SERV-**
 21 **ICE PERIOD.**

22 Section 12 of the National School Lunch Act (42
 23 U.S.C. 1760) is amended by adding at the end the following:

24 “(n) *LENGTH OF MEAL SERVICE PERIOD AND FOOD*
 25 *SERVICE ENVIRONMENT.*—A school participating in the

1 *school lunch program authorized under this Act or the*
2 *school breakfast program authorized under section 4 of the*
3 *Child Nutrition Act of 1966 (42 U.S.C. 1773) is encouraged*
4 *to establish meal service periods that provide children with*
5 *adequate time to fully consume their meals in an environ-*
6 *ment that is conducive to eating the meals.”.*

7 **SEC. 111. BUY AMERICAN.**

8 *Section 12 of the National School Lunch Act (42*
9 *U.S.C. 1760) (as amended by section 110) is amended by*
10 *adding at the end the following:*

11 *“(o) BUY AMERICAN.—*

12 *“(1) DEFINITION OF DOMESTIC COMMODITY OR*
13 *PRODUCT.—In this subsection, the term ‘domestic*
14 *commodity or product’ means—*

15 *“(A) an agricultural commodity that is*
16 *produced in the United States; and*

17 *“(B) a food product that is processed in the*
18 *United States substantially using agricultural*
19 *commodities that are produced in the United*
20 *States.*

21 *“(2) REQUIREMENT.—Subject to paragraph (3),*
22 *the Secretary shall require that a school purchase, to*
23 *the maximum extent practicable, domestic commod-*
24 *ities or products.*

1 “(3) *LIMITATIONS.*—Paragraph (2) shall apply
2 *only to—*

3 “(A) *a school located in the contiguous*
4 *United States; and*

5 “(B) *a purchase of an agricultural commod-*
6 *ity or product for the school lunch program au-*
7 *thorized under this Act or the school breakfast*
8 *program authorized under section 4 of the Child*
9 *Nutrition Act of 1966 (42 U.S.C. 1773).”.*

10 **SEC. 112. PROCUREMENT CONTRACTS.**

11 *Section 12 of the National School Lunch Act (42*
12 *U.S.C. 1760) (as amended by section 111) is amended by*
13 *adding at the end the following:*

14 “(p) *PROCUREMENT CONTRACTS.*—*In acquiring a*
15 *good or service using funds provided under this Act or the*
16 *Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.), a*
17 *State, State agency, or school may enter into a contract*
18 *with a person that has provided assistance to the State,*
19 *State agency, or school in drafting contract specifications.”.*

20 **SEC. 113. SUMMER FOOD SERVICE PROGRAM FOR CHIL-**
21 **DREN.**

22 (a) *ESTABLISHMENT OF SITE LIMITATION.*—*Section*
23 *13(a)(7)(B) of the National School Lunch Act (42 U.S.C.*
24 *1761(a)(7)(B)) is amended by striking clause (i) and insert-*
25 *ing the following:*

1 “(i) operate—

2 “(I) not more than 25 sites, with not more
3 than 300 children being served at any 1 site; or

4 “(II) with a waiver granted by the State
5 agency under standards developed by the Sec-
6 retary, with not more than 500 children being
7 served at any 1 site;”.

8 (b) *ELIMINATION OF INDICATION OF INTEREST RE-*
9 *QUIREMENT, REMOVAL OF MEAL CONTRACTING RESTRIC-*
10 *TIONS, AND VENDOR REGISTRATION REQUIREMENTS.*—*Sec-*
11 *tion 13 of the National School Lunch Act (42 U.S.C. 1761)*
12 *is amended—*

13 (1) *in subsection (a)(7)(B)—*

14 (A) *by striking clauses (ii) and (iii); and*

15 (B) *by redesignating clauses (iv) through*
16 *(vii) as clauses (ii) through (v) respectively; and*

17 (2) *in subsection (l)—*

18 (A) *in paragraph (1)—*

19 (i) *in the first sentence—*

20 (I) *by striking “(other than pri-*
21 *vate nonprofit organizations eligible*
22 *under subsection (a)(7))”;* and

23 (II) *by striking “only with food*
24 *service management companies reg-*
25 *istered with the State in which they*

1 operate” and inserting “with food serv-
 2 ice management companies”; and
 3 (ii) by striking the last sentence;

4 (B) in paragraph (2)—

5 (i) in the first sentence, by striking
 6 “shall” and inserting “may”; and

7 (ii) by striking the second and third
 8 sentences;

9 (C) by striking paragraph (3); and

10 (D) by redesignating paragraphs (4) and
 11 (5) as paragraphs (3) and (4), respectively.

12 (c) *REAUTHORIZATION OF SUMMER FOOD SERVICE*
 13 *PROGRAM.*—Section 13(q) of the National School Lunch Act
 14 (42 U.S.C. 1761(q)) is amended by striking “1998” and
 15 inserting “2003”.

16 **SEC. 114. COMMODITY DISTRIBUTION PROGRAM.**

17 Section 14(a) of the National School Lunch Act (42
 18 U.S.C. 1762a(a)) is amended by striking “1998” and in-
 19 serting “2003”.

20 **SEC. 115. CHILD AND ADULT CARE FOOD PROGRAM.**

21 (a) *AFTERSCHOOL CARE.*—Section 17(a) of the Na-
 22 tional School Lunch Act (42 U.S.C. 1766(a)) is amended
 23 in the fourth sentence by striking “Reimbursement” and in-
 24 serting “Except as provided in subsection (r), reimburse-
 25 ment”.

1 (b) *REVISION TO LICENSING AND ALTERNATE AP-*
2 *PROVAL FOR SCHOOLS AND OUTSIDE SCHOOL HOURS*
3 *CHILD CARE CENTERS.*—Section 17(a) of the National
4 *School Lunch Act (42 U.S.C. 1766(a)) is amended in the*
5 *sixth sentence by striking paragraph (1) and inserting the*
6 *following:*

7 “(1) *each institution (other than a school or fam-*
8 *ily or group day care home sponsoring organization)*
9 *and family or group day care home shall—*

10 “(A)(i) *have Federal, State, or local licens-*
11 *ing or approval; or*

12 “(ii) *be complying with appropriate re-*
13 *newal procedures as prescribed by the Secretary*
14 *and not be the subject of information possessed*
15 *by the State indicating that the license of the in-*
16 *stitution or home will not be renewed;*

17 “(B) *in any case in which Federal, State,*
18 *or local licensing or approval is not available—*

19 “(i) *receive funds under title XX of the*
20 *Social Security Act (42 U.S.C. 1397 et*
21 *seq.);*

22 “(ii) *meet any alternate approval*
23 *standards established by a State or local*
24 *government; or*

1 “(iii) meet any alternate approval
 2 standards established by the Secretary, after
 3 consultation with the Secretary of Health
 4 and Human Services; or

5 “(C) in any case in which the institution
 6 provides care to school children outside school
 7 hours and Federal, State, or local licensing or
 8 approval is not required, meet State or local
 9 health and safety standards; and”.

10 (c) *AUTOMATIC ELIGIBILITY*.—Section 17(c) of the Na-
 11 tional School Lunch Act (42 U.S.C. 1766(c)) is amended
 12 by striking paragraph (6).

13 (d) *PERIODIC SITE VISITS*.—Section 17(d) of the Na-
 14 tional School Lunch Act (42 U.S.C. 1766(d)) is amended—

15 (1) in the second sentence of paragraph (1), by
 16 inserting after “if it” the following: “has been visited
 17 by a State agency prior to approval and it”; and

18 (2) in paragraph (2)(A)—

19 (A) by striking “that allows” and inserting
 20 “that—

21 “(i) allows”;

22 (B) by striking the period at the end and
 23 inserting “; and”; and

24 (C) by adding at the end the following:

1 “(ii) requires periodic site visits to private insti-
 2 tutions that the State agency determines have a high
 3 probability of program abuse.”.

4 (e) *TAX EXEMPT STATUS AND REMOVAL OF NOTIFICA-*
 5 *TION REQUIREMENT FOR INCOMPLETE APPLICATIONS.*—
 6 Section 17(d)(1) of the National School Lunch Act (42
 7 U.S.C. 1766(d)(1)) is amended—

8 (1) by inserting after the third sentence the fol-
 9 lowing: “An institution moving toward compliance
 10 with the requirement for tax exempt status shall be
 11 allowed to participate in the child and adult care
 12 food program for a period of not more than 180 days,
 13 except that a State agency may grant a single exten-
 14 sion of not to exceed an additional 90 days if the in-
 15 stitution demonstrates, to the satisfaction of the State
 16 agency, that the inability of the institution to obtain
 17 tax exempt status within the 180-day period is due
 18 to circumstances beyond the control of the institu-
 19 tion.”; and

20 (2) by striking the last sentence.

21 (f) *DEMONSTRATION PROJECTS.*—Section 17(p) of the
 22 National School Lunch Act (42 U.S.C. 1766(p)) is amend-
 23 ed—

24 (1) in paragraph (1), by striking “appropriated
 25 or otherwise made available for purposes of carrying

1 *out this section” and inserting “made available under*
 2 *paragraph (4)”;*

3 *(2) by striking paragraphs (4) and (5); and*

4 *(3) by adding at the end the following:*

5 *“(4) FUNDING.—Out of any moneys in the*
 6 *Treasury not otherwise appropriated, the Secretary of*
 7 *the Treasury shall provide to the Secretary such sums*
 8 *as are necessary to carry out this subsection for each*
 9 *of fiscal years 1999 through 2003. The Secretary shall*
 10 *be entitled to receive the funds and shall accept the*
 11 *funds.”.*

12 *(g) MANAGEMENT SUPPORT, PARTICIPATION BY AT-*
 13 *RISK CHILD CARE PROGRAMS, AND WIC OUTREACH.—Sec-*
 14 *tion 17 of the National School Lunch Act (42 U.S.C. 1766)*
 15 *is amended by adding at the end the following:*

16 *“(q) MANAGEMENT SUPPORT.—*

17 *“(1) TECHNICAL AND TRAINING ASSISTANCE.—In*
 18 *addition to the training and technical assistance that*
 19 *is provided to State agencies under other provisions*
 20 *of this Act and the Child Nutrition Act of 1966 (42*
 21 *U.S.C. 1771 et seq.), the Secretary shall provide*
 22 *training and technical assistance in order to assist*
 23 *the State agencies in improving their program man-*
 24 *agement and oversight under this section.*

1 “(2) *FUNDING.*—*For each of fiscal years 1999*
 2 *through 2003, the Secretary shall reserve to carry out*
 3 *paragraph (1) \$1,000,000 of the amounts made avail-*
 4 *able to carry out this section.*

5 “(r) *PROGRAM FOR AT-RISK SCHOOL CHILDREN.*—

6 “(1) *DEFINITION OF AT-RISK SCHOOL CHILD.*—
 7 *In this subsection, the term ‘at-risk school child’*
 8 *means a school child who—*

9 “(A) *is not more than 18 years of age; and*

10 “(B) *lives in a geographical area served by*
 11 *a school enrolling elementary students in which*
 12 *at least 50 percent of the total number of chil-*
 13 *dren enrolled are certified as eligible to receive*
 14 *free or reduced price school meals under this Act*
 15 *or the Child Nutrition Act of 1966 (42 U.S.C.*
 16 *1771 et seq.).*

17 “(2) *PARTICIPATION IN CHILD AND ADULT CARE*
 18 *FOOD PROGRAM.*—*Subject to the other provisions of*
 19 *this subsection, an institution that provides supple-*
 20 *ments under a program organized primarily to pro-*
 21 *vide care to at-risk school children during after-school*
 22 *hours, weekends, or holidays during the regular school*
 23 *year may participate in the program authorized*
 24 *under this section.*

1 “(3) *ADMINISTRATION.*—*Except as otherwise*
2 *provided in this subsection, the other provisions of*
3 *this section apply to an institution described in para-*
4 *graph (2).*

5 “(4) *SUPPLEMENT REIMBURSEMENT.*—

6 “(A) *LIMITATIONS.*—*An institution may*
7 *claim reimbursement under this subsection only*
8 *for—*

9 “(i) *a supplement served under a pro-*
10 *gram organized primarily to provide care*
11 *to at-risk school children during after-school*
12 *hours, weekends, or holidays during the reg-*
13 *ular school year; and*

14 “(ii) *1 supplement per child per day.*

15 “(B) *RATE.*—*Supplements shall be reim-*
16 *bursed under this subsection at the rate estab-*
17 *lished for free supplements under subsection*
18 *(c)(3).*

19 “(C) *NO CHARGE.*—*A supplement claimed*
20 *for reimbursement under this subsection shall be*
21 *served without charge.*

22 “(s) *INFORMATION CONCERNING THE SPECIAL SUP-*
23 *PLEMENTAL NUTRITION PROGRAM FOR WOMEN, INFANTS,*
24 *AND CHILDREN.*—

1 “(1) *IN GENERAL.*—*The Secretary shall provide*
2 *each State agency administering a child and adult*
3 *care food program under this section with informa-*
4 *tion concerning the special supplemental nutrition*
5 *program for women, infants, and children authorized*
6 *under section 17 of the Child Nutrition Act of 1966*
7 *(42 U.S.C. 1786).*

8 “(2) *REQUIREMENTS FOR STATE AGENCIES.*—*A*
9 *State agency shall ensure that each participating*
10 *family and group day care home and child care cen-*
11 *ter (other than an institution providing care to school*
12 *children outside school hours)—*

13 “(A) *receives materials that include—*

14 “(i) *a basic explanation of the impor-*
15 *tance and benefits of the special supple-*
16 *mental nutrition program for women, in-*
17 *fant, and children;*

18 “(ii) *the maximum State income eligi-*
19 *bility standards, according to family size,*
20 *for the program; and*

21 “(iii) *information concerning how ben-*
22 *efits under the program may be obtained;*

23 “(B) *is provided periodic updates of the in-*
24 *formation described in subparagraph (A); and*

1 “(C) provides the information described in
 2 subparagraph (A) to parents of enrolled children
 3 at enrollment.”.

4 **SEC. 116. TRANSFER OF HOMELESS ASSISTANCE PRO-**
 5 **GRAMS TO CHILD AND ADULT CARE FOOD**
 6 **PROGRAM.**

7 (a) *SUMMER FOOD SERVICE PROGRAM FOR CHIL-*
 8 *DREN.—Section 13(a)(3)(C) of the National School Lunch*
 9 *Act (42 U.S.C. 1761(a)(3)(C)) is amended—*

10 (1) *in clause (i), by inserting “or” after the*
 11 *semicolon;*

12 (2) *by striking clause (ii); and*

13 (3) *by redesignating clause (iii) as clause (ii).*

14 (b) *CHILD AND ADULT CARE FOOD PROGRAM.—Sec-*
 15 *tion 17 of the National School Lunch Act (as amended by*
 16 *section 115(g)) is amended—*

17 (1) *in the third sentence of subsection (a)—*

18 (A) *by striking “and public” and inserting*
 19 *“public”; and*

20 (B) *by inserting before the period at the fol-*
 21 *lowing: “, and emergency shelters described in*
 22 *subsection (t)”; and*

23 (2) *by adding at the end the following:*

24 “(t) *PARTICIPATION BY EMERGENCY SHELTERS.—*

1 “(1) *DEFINITION OF EMERGENCY SHELTER.*—In
2 this subsection, the term ‘emergency shelter’ means a
3 public or private nonprofit emergency shelter (as de-
4 fined in section 321 of the Stewart B. McKinney
5 Homeless Assistance Act (42 U.S.C. 11351)), or a site
6 operated by the shelter, that provides food service to
7 homeless children and their parents or guardians.

8 “(2) *ADMINISTRATION.*—Except as otherwise
9 provided in this subsection, the other provisions of
10 this section shall apply to an emergency shelter that
11 is participating in the program authorized under this
12 section.

13 “(3) *INSTITUTION AND SITE LICENSING.*—Sub-
14 section (a)(1) shall not apply to an emergency shelter.

15 “(4) *HEALTH AND SAFETY STANDARDS.*—To be
16 eligible to participate in the program authorized
17 under this section, an emergency shelter shall comply
18 with applicable State and local health and safety
19 standards.

20 “(5) *MEAL OR SUPPLEMENT REIMBURSEMENT.*—

21 “(A) *LIMITATIONS.*—An emergency shelter
22 may claim reimbursement under this subsection
23 only for—

1 “(i) a meal or supplement served to
2 children who are not more than 12 years of
3 age residing at the emergency shelter; and

4 “(ii) not more than 3 meals, or 2
5 meals and 1 supplement, per child per day.

6 “(B) *RATE*.—A meal or supplement shall be
7 reimbursed under this subsection at the rate es-
8 tablished for a free meal or supplement under
9 subsection (c).

10 “(C) *NO CHARGE*.—A meal or supplement
11 claimed for reimbursement under this subsection
12 shall be served without charge.”.

13 (c) *HOMELESS CHILDREN NUTRITION PROGRAM*.—
14 Section 17B of the National School Lunch Act (42 U.S.C.
15 1766b) is repealed.

16 **SEC. 117. MEAL SUPPLEMENTS FOR CHILDREN IN AFTER-**
17 **SCHOOL CARE.**

18 (a) *GENERAL AUTHORITY*.—Section 17A(a) of the Na-
19 tional School Lunch Act (42 U.S.C. 1766a(a)) is amend-
20 ed—

21 (1) in paragraph (1), by striking “supplements
22 to” and inserting “supplements under a program or-
23 ganized primarily to provide care for”; and

24 (2) in paragraph (2), by striking subparagraph
25 (C) and inserting the following:

1 “(C) operate afterschool programs with an
2 educational or enrichment purpose.”.

3 (b) *ELIGIBLE CHILDREN*.—Section 17A(b) of the Na-
4 tional School Lunch Act (42 U.S.C. 1766a(b)) is amend-
5 ed—

6 (1) in paragraph (1), by striking “or” at the
7 end;

8 (2) in paragraph (2), by striking the period at
9 the end and inserting “; or”; and

10 (3) by adding at the end the following:

11 “(3) in the case of children who live in a geo-
12 graphical area served by a school enrolling elemen-
13 tary students in which at least 50 percent of the total
14 number of children enrolled are certified as eligible to
15 receive free or reduced price school meals under this
16 Act or the Child Nutrition Act of 1966 (42 U.S.C.
17 1771 *et seq.*), who are not more than 18 years of
18 age.”.

19 (c) *REIMBURSEMENT*.—Section 17A(c) of the National
20 School Lunch Act (42 U.S.C. 1766a(c)) is amended—

21 (1) by striking “(c) *REIMBURSEMENT*.—For”
22 and inserting the following:

23 “(c) *REIMBURSEMENT*.—

24 “(1) *IN GENERAL*.—Except as provided in para-
25 graph (2), for”; and

1 (2) *by adding at the end the following:*

2 “(2) *LOW-INCOME AREAS.*—A supplement pro-
3 vided under this section to a child described in sub-
4 section (b)(3) shall be—

5 “(A) reimbursed at the rate at which free
6 supplements are reimbursed under section 17(c);
7 and

8 “(B) served without charge.”.

9 **SEC. 118. PILOT PROJECTS.**

10 Section 18 of the National School Lunch Act (42
11 U.S.C. 1769) is amended—

12 (1) in subsection (c)—

13 (A) in paragraphs (1) and (7)(A), by strik-
14 ing “1998” each place it appears and inserting
15 “2003”; and

16 (B) in paragraph (7)—

17 (i) by striking “(A)”; and

18 (ii) by striking subparagraph (B); and

19 (2) by striking subsections (e), (g), (h), and (i).

20 **SEC. 119. BREAKFAST PILOT PROJECTS.**

21 Section 18 of the National School Lunch Act (42
22 U.S.C. 1769) (as amended by section 118(2)) is amended
23 by inserting after subsection (d) the following:

24 “(e) *BREAKFAST PILOT PROJECTS.*—

1 “(1) *IN GENERAL.*—During each of the school
2 years beginning July 1, 1999, July 1, 2000, and July
3 1, 2001, the Secretary shall make grants to State
4 agencies to conduct pilot projects in elementary
5 schools under the jurisdiction of not more than 6
6 school food authorities approved by the Secretary—

7 “(A) to reduce paperwork and simplify
8 meal counting requirements; and

9 “(B) to evaluate the effect of providing free
10 breakfasts to elementary school children, without
11 regard to family income, on participation, aca-
12 demic achievement, attendance and tardiness,
13 and dietary intake over the course of a day.

14 “(2) *NOMINATIONS.*—A State agency that desires
15 to receive a grant under this subsection shall submit
16 to the Secretary nominations of school food authori-
17 ties to participate in a pilot project under this sub-
18 section

19 “(3) *APPROVAL.*—The Secretary shall approve
20 for participation in pilot projects under this sub-
21 section elementary schools under the jurisdiction of
22 not more than 6 school food authorities selected so as
23 to—

1 “(A) provide for an equitable distribution of
2 pilot projects among urban and rural elementary
3 schools;

4 “(B) provide for an equitable distribution of
5 pilot projects among elementary schools of vary-
6 ing family income levels; and

7 “(C) permit the evaluation of pilot projects
8 to distinguish the effects of the pilot projects from
9 other factors, such as changes or differences in
10 educational policies or program.

11 “(4) GRANTS TO SCHOOL FOOD AUTHORITIES.—
12 A State receiving a grant under paragraph (1) shall
13 make grants to school food authorities to conduct the
14 pilot projects described in paragraph (1).

15 “(5) DURATION OF PILOT PROJECTS.—A school
16 food authority receiving amounts under a grant to
17 conduct a pilot project described in paragraph (1)
18 shall conduct the project for the 3-year period begin-
19 ning July 1, 1999.

20 “(6) WAIVER AUTHORITY.—The Secretary may
21 waive the requirements of this Act and the Child Nu-
22 trition Act of 1966 (42 U.S.C. 1771 et seq.) relating
23 to counting of meals, applications for eligibility, and
24 other requirements that would preclude the Secretary

1 *from making a grant to conduct a pilot project under*
2 *paragraph (1).*

3 “(7) *REQUIREMENTS FOR PARTICIPATION IN*
4 *PILOT PROJECT.—To be eligible to participate in a*
5 *pilot project under this subsection—*

6 “(A) *a State—*

7 “(i) *shall submit an application to the*
8 *Secretary at such time and in such manner*
9 *as the Secretary shall establish to meet cri-*
10 *teria the Secretary has established to enable*
11 *a valid evaluation to be conducted; and*

12 “(ii) *shall provide such information re-*
13 *lating to the operation and results of the*
14 *pilot project as the Secretary may reason-*
15 *ably require; and*

16 “(B) *a school food authority—*

17 “(i) *shall agree to serve all breakfasts*
18 *at no charge to all children in participating*
19 *elementary schools;*

20 “(ii) *shall not have a history of viola-*
21 *tions of this Act or the Child Nutrition Act*
22 *of 1966 (42 U.S.C. 1771 et seq.);*

23 “(iii) *shall have, under the jurisdiction*
24 *of the school food authority, a sufficient*
25 *number of elementary schools that are not*

1 *participating in the pilot projects to permit*
 2 *an evaluation of the effects of the pilot*
 3 *projects; and*

4 *“(iv) shall meet all other requirements*
 5 *that the Secretary may reasonably require.*

6 *“(8) REIMBURSEMENT RATES.—A school food*
 7 *authority conducting a pilot project under this sub-*
 8 *section shall receive reimbursement for each breakfast*
 9 *served under the pilot project in an amount that is*
 10 *equal to—*

11 *“(A) in the case of a school food authority*
 12 *that is determined by the Secretary not to be in*
 13 *severe need, the rate for free breakfasts estab-*
 14 *lished under section 4(b)(1)(B) of the Child Nu-*
 15 *trition Act of 1966 (42 U.S.C. 1773(b)(1)(B));*
 16 *and*

17 *“(B) in the case of a school food authority*
 18 *that is determined by the Secretary to be in se-*
 19 *vere need, the rate for free breakfasts established*
 20 *under section 4(b)(2)(B) of the Child Nutrition*
 21 *Act of 1966 (42 U.S.C. 1773(b)(2)(B)).*

22 *“(9) EVALUATION OF PILOT PROJECTS.—*

23 *“(A) IN GENERAL.—The Secretary, acting*
 24 *through the Administrator of the Food and Nu-*
 25 *trition Service, shall conduct an evaluation of*

1 *the pilot projects conducted by the school food*
2 *authorities selected for participation.*

3 “(B) *CONTENT.*—*The evaluation shall in-*
4 *clude—*

5 “(i) *a determination of the effect of*
6 *participation in the pilot project on the*
7 *academic achievement, attendance and tar-*
8 *diness, and dietary intake over the course of*
9 *a day of participating children that is not*
10 *attributable to changes in educational poli-*
11 *cies and practices; and*

12 “(ii) *a determination of the effect that*
13 *participation by elementary schools in the*
14 *pilot project has on the proportion of stu-*
15 *dents who eat breakfast and on the paper-*
16 *work required to be completed by the*
17 *schools.*

18 “(C) *REPORT.*—*On completion of the pilot*
19 *projects and the evaluation, the Secretary shall*
20 *submit to the Committee on Education and the*
21 *Workforce of the House of Representatives and*
22 *the Committee on Agriculture, Nutrition, and*
23 *Forestry of the Senate a report containing the*
24 *results of the evaluation of the pilot projects re-*
25 *quired under subparagraph (A).*

1 “(10) *FEDERAL REIMBURSEMENT.*—

2 “(A) *IN GENERAL.*—*Except as provided in*
3 *subparagraph (B), a school conducting a pilot*
4 *project under this subsection shall receive a total*
5 *Federal reimbursement under the school breakfast*
6 *program in an amount that is equal to the total*
7 *Federal reimbursement for the school for the*
8 *prior year under the program (adjusted for in-*
9 *flation and fluctuations in enrollment).*

10 “(B) *EXCESS NEEDS.*—*Funds required for*
11 *the pilot project in excess of the level of reim-*
12 *bursement received by the school for the prior*
13 *year (adjusted for inflation and fluctuations in*
14 *enrollment) may be taken from any non-Federal*
15 *source or from amounts provided under this sub-*
16 *section.*

17 “(11) *FUNDING.*—

18 “(A) *IN GENERAL.*—*Out of any moneys in*
19 *the Treasury not otherwise appropriated, the*
20 *Secretary of the Treasury shall provide to the*
21 *Secretary such sums as are necessary to carry*
22 *out this subsection, but not more than*
23 *\$20,000,000. The Secretary shall be entitled to*
24 *receive the funds and shall accept the funds.*

1 “(B) *EVALUATION.*—Of the amounts made
 2 available under subparagraph (A), not more
 3 than \$12,000,000 shall be made available to
 4 carry out paragraph (9).”.

5 **SEC. 120. TRAINING AND TECHNICAL ASSISTANCE.**

6 Section 21(e)(1) of the National School Lunch Act (42
 7 U.S.C. 1769b–1(e)(1)) is amended by striking “1998” and
 8 inserting “2003”.

9 **SEC. 121. FOOD SERVICE MANAGEMENT INSTITUTE.**

10 Section 21(e)(2)(A) of the National School Lunch Act
 11 (42 U.S.C. 1769b–1(e)(2)(A)) is amended by striking “and
 12 \$2,000,000 for fiscal year 1996 and each subsequent fiscal
 13 year,” and inserting “\$2,000,000 for each of fiscal years
 14 1996 through 1998, and \$3,000,000 for fiscal year 1999 and
 15 each subsequent fiscal year”.

16 **SEC. 122. COMPLIANCE AND ACCOUNTABILITY.**

17 Section 22(d) of the National School Lunch Act (42
 18 U.S.C. 1769c(d)) is amended by striking “1996” and insert-
 19 ing “2003”.

20 **SEC. 123. INFORMATION CLEARINGHOUSE.**

21 Section 26(d) of the National School Lunch Act (42
 22 U.S.C. 1769g(d)) is amended in the first sentence by strik-
 23 ing “and \$100,000 for fiscal year 1998” and inserting
 24 “\$100,000 for fiscal year 1998, and \$166,000 for each of
 25 fiscal years 1999 through 2003”.

1 **SEC. 124. REFOCUSING OF EFFORT TO HELP ACCOMMO-**
 2 **DATE THE SPECIAL DIETARY NEEDS OF INDI-**
 3 **VIDUALS WITH DISABILITIES.**

4 *Section 27 of the National School Lunch Act (42*
 5 *U.S.C. 1769h) is amended to read as follows:*

6 **“SEC. 27. ACCOMMODATION OF SPECIAL DIETARY NEEDS**
 7 **OF INDIVIDUALS WITH DISABILITIES.**

8 *“(a) DEFINITIONS.—In this section:*

9 *“(1) COVERED PROGRAM.—The term ‘covered*
 10 *program’ means—*

11 *“(A) the school lunch program authorized*
 12 *under this Act;*

13 *“(B) the school breakfast program author-*
 14 *ized under section 4 of the Child Nutrition Act*
 15 *of 1966 (42 U.S.C. 1773); and*

16 *“(C) any other program authorized under*
 17 *this Act or the Child Nutrition Act of 1966 that*
 18 *the Secretary determines is appropriate.*

19 *“(2) ELIGIBLE ENTITY.—The term ‘eligible en-*
 20 *tity’ means a school food authority, institution, or*
 21 *service institution that participates in a covered pro-*
 22 *gram.*

23 *“(3) INDIVIDUALS WITH DISABILITIES.—The*
 24 *term ‘individual with disabilities’ has the meaning*
 25 *given the term in section 7 of the Rehabilitation Act*

1 of 1973 (29 U.S.C. 706) for purposes of title VII of
2 that Act (29 U.S.C. 796 *et seq.*).

3 “(b) *ACTIVITIES.*—The Secretary may carry out ac-
4 tivities to help accommodate the special dietary needs of
5 individuals with disabilities who are participating in a
6 covered program, including—

7 “(1) developing and disseminating to State agen-
8 cies guidance and technical assistance materials;

9 “(2) conducting training of State agencies and
10 eligible entities; and

11 “(3) issuing grants to State agencies and eligible
12 entities.”.

13 **TITLE II—SCHOOL BREAKFAST** 14 **AND RELATED PROGRAMS**

15 **SEC. 201. ELIMINATION OF ADMINISTRATION OF PRO-** 16 **GRAMS BY REGIONAL OFFICES.**

17 Section 5 of the Child Nutrition Act of 1966 (42 U.S.C.
18 1774) is amended to read as follows:

19 **“SEC. 5. DISBURSEMENT TO SCHOOLS BY THE SECRETARY.**

20 “(a) *AUTHORITY TO ADMINISTER PROGRAMS.*—

21 “(1) *IN GENERAL.*—Except as provided in para-
22 graph (3), during the period determined under sub-
23 section (c), the Secretary shall withhold funds payable
24 to a State under this Act and disburse the funds di-
25 rectly to school food authorities, institutions, and

1 *service institutions within the State for the purposes*
2 *authorized by this Act to the extent that the Secretary*
3 *has so withheld and disbursed the funds continuously*
4 *since October 1, 1980.*

5 “(2) *USE OF FUNDS.*—*Any funds withheld and*
6 *disbursed by the Secretary under paragraph (1) shall*
7 *be used for the same purposes and be subject to the*
8 *same conditions as apply to disbursing funds made*
9 *available to States under this Act.*

10 “(3) *STATE ADMINISTRATION.*—*If the Secretary*
11 *is administering (in whole or in part) any program*
12 *authorized under this Act in a State, the State may,*
13 *on request to the Secretary, assume administrative re-*
14 *sponsibility for the program at any time during the*
15 *period determined under subsection (c).*

16 “(b) *PROVISION OF TRAINING AND TECHNICAL ASSIST-*
17 *ANCE.*—*During the period determined under subsection (c),*
18 *the Secretary shall provide a State that assumes adminis-*
19 *trative responsibility for a program from the Secretary with*
20 *training and technical assistance to allow for an efficient*
21 *and effective transfer of administrative responsibility.*

22 “(c) *PERIOD.*—

23 “(1) *IN GENERAL.*—*Except as provided in para-*
24 *graph (2), this section shall apply during the period*

1 *beginning on October 1, 1998, and ending on Septem-*
 2 *ber 30, 2001.*

3 “(2) *EXTENSION.*—*The Secretary may extend the*
 4 *period described in paragraph (1) that applies to a*
 5 *program administered by the Secretary for a State,*
 6 *for a period not to exceed 2 years, if the State—*

7 *“(A) demonstrates to the Secretary that the*
 8 *State will not be able to assume administrative*
 9 *responsibility for the program during the period*
 10 *described in paragraph (1); and*

11 *“(B) submits a plan to the Secretary that*
 12 *describes when and how the State will assume*
 13 *administrative responsibility for the program.”.*

14 **SEC. 202. STATE ADMINISTRATIVE EXPENSES.**

15 (a) *HOMELESS SHELTERS.*—*Section 7(a)(5) of the*
 16 *Child Nutrition Act of 1966 (42 U.S.C. 1776(a)(5)) is*
 17 *amended by striking subparagraph (B) and inserting the*
 18 *following:*

19 “(B) *REALLOCATION OF FUNDS.*—

20 “(i) *RETURN TO SECRETARY.*—*For*
 21 *each fiscal year, any amounts appropriated*
 22 *that are not obligated or expended during*
 23 *the fiscal year and are not carried over for*
 24 *the succeeding fiscal year under subpara-*

1 graph (A) shall be returned to the Sec-
2 retary.

3 “(ii) *REALLOCATION BY SECRETARY.*—
4 *The Secretary shall allocate, for purposes of*
5 *administrative costs, any remaining*
6 *amounts among States that demonstrate a*
7 *need for the amounts.”.*

8 (b) *ELIMINATION OF TRANSFER LIMITATION.*—Section
9 7(a) of the Child Nutrition Act of 1966 (42 U.S.C. 1776(a))
10 is amended by striking paragraph (6) and inserting the fol-
11 lowing:

12 “(6) *USE OF ADMINISTRATIVE FUNDS.*—Funds
13 available to a State under this subsection and under
14 section 13(k)(1) of the National School Lunch Act (42
15 U.S.C. 1761(k)(1)) may be used by the State for the
16 costs of administration of the programs authorized
17 under the National School Lunch Act (42 U.S.C. 1751
18 et seq.) or this Act (except for the programs author-
19 ized under sections 17 and 21 of this Act) without re-
20 gard to the basis on which the funds were earned and
21 allocated.”.

22 (c) *REAUTHORIZATION OF PROGRAM.*—Section 7(g) of
23 the Child Nutrition Act of 1966 (42 U.S.C. 1776(g)) is
24 amended by striking “1998” and inserting “2003”.

1 **SEC. 203. SPECIAL SUPPLEMENTAL NUTRITION PROGRAM**
 2 **FOR WOMEN, INFANTS, AND CHILDREN.**

3 (a) *CERTIFICATION PERIOD FOR INFANTS.*—Section
 4 17(d)(3) of the Child Nutrition Act of 1966 (42 U.S.C.
 5 1786(d)(3)) is amended by adding at the end the following:

6 “(C) *CERTIFICATION PERIOD FOR IN-*
 7 *FANTS.*—

8 “(i) *IN GENERAL.*—Except as provided
 9 in clause (ii), the procedures prescribed
 10 under subparagraph (A) shall include a re-
 11 quirement that a family that includes an
 12 infant shall not be certified to meet income
 13 eligibility criteria for the program for more
 14 than 180 days after the date of any certifi-
 15 cation.

16 “(ii) *PRESUMPTIVELY ELIGIBLE FAMI-*
 17 *LIES.*—Clause (i) shall not apply to a fam-
 18 ily with a member who is an individual de-
 19 scribed in clause (ii) or (iii) of paragraph
 20 (2)(A).”.

21 (b) *ADDITIONAL REQUIREMENTS FOR APPLICANTS.*—
 22 Section 17(d)(3) of the Child Nutrition Act of 1966 (42
 23 U.S.C. 1786(d)(3)) (as amended by subsection (a)) is
 24 amended by adding at the end the following:

25 “(D) *PHYSICAL PRESENCE.*—

1 “(i) *IN GENERAL.*—*Except as provided*
2 *in clause (ii), each applicant to the pro-*
3 *gram shall be physically present at each*
4 *certification determination to determine eli-*
5 *gibility under the program.*

6 “(ii) *WAIVERS.*—*A local agency may*
7 *waive the requirement of clause (i) with re-*
8 *spect to an applicant if the agency deter-*
9 *mines that the requirement, as applied to*
10 *the applicant, would—*

11 “(I) *conflict with the Americans*
12 *with Disabilities Act of 1990 (42*
13 *U.S.C. 12101 et seq.);*

14 “(II) *present a barrier to partici-*
15 *pation of a child (including an infant)*
16 *who—*

17 “(aa) *was present at the ini-*
18 *tial certification visit; and*

19 “(bb) *is receiving ongoing*
20 *health care from a provider other*
21 *than the local agency; or*

22 “(III) *present a barrier to par-*
23 *ticipation of a child (including an in-*
24 *fant) who—*

1 “(aa) was present at the ini-
2 tial certification visit;

3 “(bb) was present at a cer-
4 tification determination within
5 the 1-year period ending on the
6 date of the certification deter-
7 mination described in clause (i);
8 and

9 “(cc) has 1 or more parents
10 who work.

11 “(E) INCOME DOCUMENTATION.—

12 “(i) IN GENERAL.—Except as provided
13 in clause (ii), to be eligible for the program,
14 each applicant to the program shall pro-
15 vide—

16 “(I) documentation of household
17 income; or

18 “(II) documentation of participa-
19 tion in a program described in clause
20 (ii) or (iii) of paragraph (2)(A).

21 “(ii) WAIVERS.—A State agency may
22 waive the requirement of clause (i) with re-
23 spect to—

1 “(I) an applicant for whom the
2 necessary documentation is not avail-
3 able; or

4 “(II) an applicant, such as a
5 homeless woman or child, for whom the
6 agency determines the requirement of
7 clause (i) would present a barrier to
8 participation.

9 “(iii) REGULATIONS.—The Secretary
10 shall prescribe regulations to carry out
11 clause (ii)(I).

12 “(F) VERIFICATION.—The Secretary shall
13 issue regulations under this paragraph prescrib-
14 ing when and how verification of income shall be
15 required.”.

16 (c) DISTRIBUTION OF NUTRITION EDUCATION MATE-
17 RIALS.—Section 17(e)(3) of the Child Nutrition Act of 1966
18 (42 U.S.C. 1786(e)(3)) is amended—

19 (1) by striking “(3) The” and inserting the fol-
20 lowing:

21 “(3) NUTRITION EDUCATION MATERIALS.—

22 “(A) IN GENERAL.—The”; and

23 (2) by adding at the end the following:

24 “(B) SHARING OF MATERIALS WITH CSFP.—

25 The Secretary may provide, in bulk quantity,

1 *nutrition education materials (including mate-*
 2 *rials promoting breastfeeding) developed with*
 3 *funds made available for the program authorized*
 4 *under this section to State agencies administer-*
 5 *ing the commodity supplemental food program*
 6 *authorized under sections 4(a) and 5 of the Agri-*
 7 *culture and Consumer Protection Act of 1973*
 8 *(Public Law 93–86; 7 U.S.C. 612c note) at no*
 9 *cost to that program.”.*

10 (d) *VARIETY OF FOODS.*—Section 17(f)(1)(C) of the
 11 *Child Nutrition Act of 1966 (42 U.S.C. 1786(f)(1)(C)) is*
 12 *amended—*

13 (1) *by redesignating clauses (ii) through (x) as*
 14 *clauses (iii) through (xi), respectively; and*

15 (2) *by inserting after clause (i) the following:*

16 “*(ii) in the case of any State that provides for*
 17 *the purchase of foods under the program at retail gro-*
 18 *cery stores, a plan to limit participation by the stores*
 19 *to stores that offer a variety of foods, as determined*
 20 *by the Secretary;”.*

21 (e) *USE OF CLAIMS FOR VENDORS AND PARTICI-*
 22 *PANTS.*—Section 17(f) of the *Child Nutrition Act of 1966*
 23 *(42 U.S.C. 1786(f)) is amended by striking paragraph (21)*
 24 *and inserting the following:*

1 “(21) *USE OF CLAIMS FROM VENDORS AND PAR-*
 2 *TICIPANTS.—A State agency may use funds recovered*
 3 *from vendors and participants, as a result of a claim*
 4 *arising under the program, to carry out the program*
 5 *during—*

6 “(A) *the fiscal year in which the claim*
 7 *arises;*

8 “(B) *the fiscal year in which the funds are*
 9 *collected; or*

10 “(C) *the fiscal year following the fiscal year*
 11 *in which the funds are collected.”.*

12 (f) *RECIPIENTS PARTICIPATING AT MORE THAN 1*
 13 *SITE.—Section 17(f) of the Child Nutrition Act of 1966 (42*
 14 *U.S.C. 1786(f)) is amended by adding at the end the follow-*
 15 *ing:*

16 “(23) *RECIPIENTS PARTICIPATING AT MORE*
 17 *THAN 1 SITE.—Each State agency shall implement a*
 18 *system designed by the State agency to identify re-*
 19 *cipients who are participating at more than 1 site*
 20 *under the program.”.*

21 (g) *HIGH RISK VENDORS.—Section 17(f) of the Child*
 22 *Nutrition Act of 1966 (42 U.S.C. 1786(f)) (as amended by*
 23 *subsection (f)) is amended by adding at the end the follow-*
 24 *ing:*

1 “(24) *HIGH RISK VENDORS.*—*Each State agency*
2 *shall—*

3 “(A) *identify vendors that have a high prob-*
4 *ability of program abuse; and*

5 “(B) *conduct compliance investigations of*
6 *the vendors.*”.

7 (h) *REAUTHORIZATION OF PROGRAM.*—*Section 17 of*
8 *the Child Nutrition Act of 1966 (42 U.S.C. 1786) is amend-*
9 *ed in subsections (g)(1) and (h)(2)(A) by striking “1998”*
10 *each place it appears and inserting “2003”.*

11 (i) *PURCHASE OF BREAST PUMPS.*—*Section*
12 *17(h)(1)(C) of the Child Nutrition Act of 1966 (42 U.S.C.*
13 *1786(h)(1)(C)) is amended—*

14 (1) *by striking “(C) In” and inserting the fol-*
15 *lowing:*

16 “(C) *REMAINING AMOUNTS.*—

17 “(i) *IN GENERAL.*—*Except as provided*
18 *in clause (ii), in”; and*

19 (2) *by adding at the end the following:*

20 “(ii) *BREAST PUMPS.*—

21 “(I) *IN GENERAL.*—*Beginning*
22 *with fiscal year 2000, a State agency*
23 *may use amounts made available*
24 *under clause (i) for the purchase of*
25 *breast pumps.*

1 “(II) MAINTENANCE OF EF-
 2 FORT.—From amounts allocated for
 3 nutrition services and administration
 4 to amounts allocated for supplemental
 5 foods, a State agency that exercises the
 6 authority of subclause (I) shall transfer
 7 an amount equal to the amount ex-
 8 pended for the purchase of breast
 9 pumps, or transferred under this sub-
 10 clause, from amounts allocated for nu-
 11 trition services and administration for
 12 the preceding fiscal year.”.

13 (j) TECHNICAL AMENDMENT.—Section 17(h)(2)(A)(iv)
 14 of the Child Nutrition Act of 1966 (42 U.S.C.
 15 1786(h)(2)(A)(iv)) is amended by striking “, to the extent
 16 funds are not already provided under subparagraph (I)(v)
 17 for the same purpose,”.

18 (k) LEVEL OF PER-PARTICIPANT EXPENDITURE FOR
 19 NUTRITION SERVICES AND ADMINISTRATION.—Section
 20 17(h)(2)(B)(ii) of the Child Nutrition Act of 1966 (42
 21 U.S.C. 1786(h)(2)(B)(ii)) is amended by striking “15 per-
 22 cent” and inserting “10 percent (except that the Secretary
 23 may establish a higher percentage for State agencies that
 24 are small)”.

1 (l) *TECHNICAL AMENDMENTS.*—Section 17(h)(3) of the
 2 *Child Nutrition Act of 1966* (42 U.S.C. 1786(h)(3)) is
 3 amended—

4 (1) in subparagraph (E), by striking “(except as
 5 provided in subparagraph (G))”; and

6 (2) by striking subparagraphs (F) and (G).

7 (m) *CONVERSION OF AMOUNTS FOR SUPPLEMENTAL*
 8 *FOODS TO AMOUNTS FOR NUTRITION SERVICES AND AD-*
 9 *MINISTRATION.*—Section 17(h)(5)(A) of the *Child Nutrition*
 10 *Act of 1966* (42 U.S.C. 1786(h)(5)(A)) is amended in the
 11 matter preceding clause (i) by striking “achieves” and all
 12 that follows through “such State agency may” and inserting
 13 “submits a plan to reduce average food costs per partici-
 14 pant and to increase participation above the level estimated
 15 for the State agency, the State agency may, with the ap-
 16 proval of the Secretary,”.

17 (n) *INFANT FORMULA PROCUREMENT.*—

18 (1) *COMPETITIVE BIDDING SYSTEM.*—Section
 19 17(h)(8)(A) of the *Child Nutrition Act of 1966* (42
 20 U.S.C. 1786(h)(8)(A)) is amended by adding at the
 21 end the following:

22 “(iii) *COMPETITIVE BIDDING SYS-*
 23 *TEM.*—A State agency using a competitive
 24 bidding system for infant formula shall
 25 award a contract to the bidder offering the

1 *lowest net price unless the State agency*
 2 *demonstrates to the satisfaction of the Sec-*
 3 *retary that the weighted average retail price*
 4 *for different brands of infant formula in the*
 5 *State does not vary by more than 5 per-*
 6 *cent.”.*

7 (2) *REVIEW AND APPROVAL OF SOLICITATIONS.—*
 8 *Section 17(h)(8) of the Child Nutrition Act of 1966*
 9 *(42 U.S.C. 1786(h)(8)) is amended by adding at the*
 10 *end the following:*

11 “(K) *REVIEW AND APPROVAL OF SOLICITA-*
 12 *TIONS.—The Secretary shall—*

13 “(i) *prior to the issuance of an infant*
 14 *formula cost containment contract solicita-*
 15 *tion under this paragraph, review the solici-*
 16 *tation to ensure that the solicitation does*
 17 *not contain any anticompetitive provisions;*
 18 *and*

19 “(ii) *approve the solicitation only if*
 20 *the solicitation does not contain any anti-*
 21 *competitive provisions.”.*

22 (o) *INFRASTRUCTURE AND BREASTFEEDING SUPPORT*
 23 *AND PROMOTION.—Section 17(h)(10)(A) of the Child Nutri-*
 24 *tion Act of 1966 (42 U.S.C. 1786(h)(10)(A)) is amended*
 25 *by striking “1998” and inserting “2003”.*

1 (p) *MANAGEMENT INFORMATION SYSTEM PLAN.—Sec-*
 2 *tion 17(h) of the Child Nutrition Act of 1966 (42 U.S.C.*
 3 *1786(h)) is amended by adding at the end the following:*

4 “(11) *MANAGEMENT INFORMATION SYSTEM*
 5 *PLAN.—*

6 “(A) *IN GENERAL.—In consultation with*
 7 *State agencies, retailers, and other interested*
 8 *persons, the Secretary shall establish a long-*
 9 *range plan for the development and implementa-*
 10 *tion of management information systems (in-*
 11 *cluding electronic benefit transfers) to be used in*
 12 *carrying out the program.*

13 “(B) *REPORT.—Not later than 2 years after*
 14 *the date of enactment of this paragraph, the Sec-*
 15 *retary shall submit to the Committee on Edu-*
 16 *cation and the Workforce of the House of Rep-*
 17 *resentatives and the Committee on Agriculture,*
 18 *Nutrition, and Forestry of the Senate a report*
 19 *on actions taken to carry out subparagraph (A).*

20 “(C) *INTERIM PERIOD.—Prior to the date of*
 21 *submission of the report of the Secretary required*
 22 *under subparagraph (B), the cost of systems or*
 23 *equipment that may be required to test manage-*
 24 *ment information systems (including electronic*

1 *benefit transfers) for the program may not be*
 2 *imposed on a retail food store.”.*

3 *(q) USE OF FUNDS IN PRECEDING AND SUBSEQUENT*
 4 *FISCAL YEARS.—*

5 *(1) IN GENERAL.—Section 17(i)(3)(A) of the*
 6 *Child Nutrition Act of 1966 (42 U.S.C.*
 7 *1786(i)(3)(A)) is amended—*

8 *(A) by striking “subparagraphs (B) and*
 9 *(C)” and inserting “subparagraph (B)”;* and

10 *(B) by striking clauses (i) and (ii) and in-*
 11 *serting the following:*

12 *“(i)(I) not more than 1 percent (except as pro-*
 13 *vided in subparagraph (C)) of the amount of funds*
 14 *allocated to a State agency under this section for sup-*
 15 *plemental foods for a fiscal year may be expended by*
 16 *the State agency for allowable expenses incurred*
 17 *under this section for supplemental foods during the*
 18 *preceding fiscal year; and*

19 *“(II) not more than 1 percent of the amount of*
 20 *funds allocated to a State agency under this section*
 21 *for nutrition services and administration for a fiscal*
 22 *year may be expended by the State agency for allow-*
 23 *able expenses incurred under this section for supple-*
 24 *mental foods and nutrition services and administra-*
 25 *tion during the preceding fiscal year; and*

1 “(ii)(I) for each fiscal year, of the amounts allo-
 2 cated to a State agency for nutrition services and ad-
 3 ministration, an amount equal to not more than 1
 4 percent of the amount allocated to the State agency
 5 under this section for the fiscal year may be expended
 6 by the State agency for allowable expenses incurred
 7 under this section for nutrition services and adminis-
 8 tration during the subsequent fiscal year; and

9 “(II) for each fiscal year, of the amounts allo-
 10 cated to a State agency for nutrition services and ad-
 11 ministration, an amount equal to not more than $\frac{1}{2}$
 12 of 1 percent of the amount allocated to the State agen-
 13 cy under this section for the fiscal year may be ex-
 14 pended by the State agency, with the prior approval
 15 of the Secretary, for the development of a management
 16 information system, including an electronic benefit
 17 transfer system, during the subsequent fiscal year.”.

18 (2) CONFORMING AMENDMENTS.—Section 17 of
 19 the Child Nutrition Act of 1966 (42 U.S.C. 1786) is
 20 amended—

21 (A) in subsection (h)(10)(A), by inserting
 22 after “nutrition services and administration
 23 funds” the following: “and supplemental foods
 24 funds”; and

25 (B) in subsection (i)(3)—

1 (i) by striking subparagraphs (C)
2 through (G); and

3 (ii) by redesignating subparagraph
4 (H) as subparagraph (C).

5 (r) *FARMERS MARKET NUTRITION PROGRAM*.—Sec-
6 tion 17(m) of the Child Nutrition Act of 1966 (42 U.S.C.
7 1786(m)) is amended—

8 (1) in the first sentence of paragraph (3), by in-
9 serting “or from program income” before the period
10 at the end;

11 (2) in paragraph (6)—

12 (A) in subparagraph (C)—

13 (i) by striking “serve additional recipi-
14 ents in”;

15 (ii) by striking clause (ii) and insert-
16 ing the following:

17 “(ii) documentation that demonstrates that—

18 “(I) there is a need for an increase in
19 funds; and

20 “(II) the use of the increased funding will
21 be consistent with serving nutritionally at-risk
22 persons and expanding the awareness and use of
23 farmers’ markets;”;

24 (iii) in clause (iii), by striking the pe-
25 riod at the end and inserting “; and”; and

1 (iv) by adding at the end the following:

2 “(iv) whether, in the case of a State that intends
3 to use any funding provided under subparagraph
4 (G)(i) to increase the value of the Federal share of the
5 benefits received by a recipient, the funding provided
6 under subparagraph (G)(i) will increase the rate of
7 coupon redemption.”;

8 (B) by striking subparagraph (F);

9 (C) in subparagraph (G)—

10 (i) in clause (i)—

11 (I) in the first sentence, by strik-
12 ing “that wish” and all follows through
13 “to do so” and inserting “whose State
14 plan”; and

15 (II) in the second sentence, by
16 striking “for additional recipients”;
17 and

18 (ii) in the second sentence of clause
19 (ii), by striking “that desire to serve addi-
20 tional recipients, and”; and

21 (D) by redesignating subparagraph (G) as
22 subparagraph (F); and

23 (3) in paragraph (9)(A), by striking “1998” and
24 inserting “2003”.

25 (s) DISQUALIFICATION OF CERTAIN VENDORS.—

1 (1) *IN GENERAL.*—Section 17 of the Child Nutri-
2 tion Act of 1966 (42 U.S.C. 1786) is amended by
3 adding at the end the following:

4 “(o) *DISQUALIFICATION OF VENDORS CONVICTED OF*
5 *TRAFFICKING OR ILLEGAL SALES.*—

6 “(1) *IN GENERAL.*—Except as provided in para-
7 graph (4), a State agency shall permanently dis-
8 qualify from participation in the program authorized
9 under this section a vendor convicted of—

10 “(A) trafficking in food instruments (in-
11 cluding any voucher, draft, check, or access de-
12 vice (including an electronic benefit transfer
13 card or personal identification number) issued
14 in lieu of a food instrument under this section);
15 or

16 “(B) selling firearms, ammunition, explo-
17 sives, or controlled substances (as defined in sec-
18 tion 102 of the Controlled Substances Act (21
19 U.S.C. 802)) in exchange for food instruments.

20 “(2) *NOTICE OF DISQUALIFICATION.*—The State
21 agency shall—

22 “(A) provide the vendor with notification of
23 the disqualification; and

1 “(B) make the disqualification effective on
2 the date of receipt of the notice of disqualifica-
3 tion.

4 “(3) *PROHIBITION OF RECEIPT OF LOST REVENUES.*—A vendor shall not be entitled to receive any
5 compensation for revenues lost as a result of disquali-
6 fication under this subsection.

8 “(4) *EXCEPTIONS IN LIEU OF DISQUALIFICATION.*—
9

10 “(A) *IN GENERAL.*—A State agency may
11 permit a vendor that, but for this paragraph,
12 would be disqualified under paragraph (1), to
13 continue to redeem food instruments or otherwise
14 provide supplemental foods to participants if the
15 State agency determines, in its sole discretion
16 according to criteria established by the Sec-
17 retary, that—

18 “(i) disqualification of the vendor
19 would cause hardship to participants in the
20 program authorized under this section; or

21 “(ii)(I) the vendor had, at the time of
22 the conviction under paragraph (1), an ef-
23 fective policy and program in effect to pre-
24 vent violations of this section; and

1 “(II) the ownership of the vendor was
 2 not aware of, did not approve of, did not
 3 benefit from, and was not involved in the
 4 conduct of the violation.

5 “(B) CIVIL PENALTY.—If a State agency
 6 authorizes a vendor that, but for this paragraph,
 7 would be disqualified under paragraph (1) to re-
 8 deem food instruments or provide supplemental
 9 foods under subparagraph (A), in lieu of dis-
 10 qualification, the State agency shall assess the
 11 vendor a civil penalty in an amount determined
 12 by the State agency, except that—

13 “(i) the amount of the civil penalty
 14 shall not exceed \$20,000; and

15 “(ii) the amount of civil penalties im-
 16 posed for violations investigated as part of
 17 a single investigation may not exceed
 18 \$40,000.”.

19 (2) REGULATIONS.—The amendment made by
 20 paragraph (1) shall take effect on the date on which
 21 the Secretary of Agriculture issues a final regulation
 22 that includes the criteria for—

23 (A) making hardship determinations; and

24 (B) determining the amount of a civil
 25 money penalty in lieu of disqualification.

1 *(t) CRIMINAL FORFEITURE.—Section 17 of the Child*
 2 *Nutrition Act of 1966 (42 U.S.C. 1786) (as amended by*
 3 *subsection (s)(1)) is amended by adding at the end the fol-*
 4 *lowing:*

5 *“(p) CRIMINAL FORFEITURE.—*

6 *“(1) IN GENERAL.—In addition to any other*
 7 *penalty or sentence, a court may order that a person*
 8 *forfeit to the United States all property described in*
 9 *paragraph (2), in imposing a sentence on a person*
 10 *convicted of a violation of this section (including a*
 11 *regulation) under—*

12 *“(A) section 12(g) of the National School*
 13 *Lunch Act (42 U.S.C. 1760(g)); or*

14 *“(B) any other Federal law imposing a*
 15 *penalty for embezzlement, willful misapplication,*
 16 *stealing, obtaining by fraud, or trafficking in*
 17 *food instruments, funds, assets, or property, that*
 18 *have a value of \$100 or more.*

19 *“(2) PROPERTY SUBJECT TO FORFEITURE.—All*
 20 *property, real and personal, used in a transaction or*
 21 *attempted transaction, to commit, or to facilitate the*
 22 *commission of, a violation (other than a mis-*
 23 *demeanor) of any provision of this section (including*
 24 *a regulation), or proceeds traceable to a violation of*
 25 *any provision of this section (including a regulation),*

1 *shall be subject to forfeiture to the United States*
2 *under paragraph (1).*

3 “(3) *INTEREST OF OWNER.*—*No interest in prop-*
4 *erty shall be forfeited under this subsection as the re-*
5 *sult of any act or omission established by the owner*
6 *of the interest to have been committed or omitted*
7 *without the knowledge or consent of the owner.*

8 “(4) *PROCEEDS.*—*The proceeds from any sale of*
9 *forfeited property and any amounts forfeited under*
10 *this subsection shall be used—*

11 “(A) *first, to reimburse the Department of*
12 *Justice, the Department of the Treasury, and the*
13 *United States Postal Service for the costs in-*
14 *curring by the Departments or Service to initiate*
15 *and complete the forfeiture proceeding;*

16 “(B) *second, to reimburse the Office of In-*
17 *spector General of the Department of Agriculture*
18 *for any costs incurred by the Office in the law*
19 *enforcement effort resulting in the forfeiture;*

20 “(C) *third, to reimburse any Federal, State,*
21 *or local law enforcement agency for any costs in-*
22 *curring in the law enforcement effort resulting in*
23 *the forfeiture; and*

1 “(D) fourth, by the State agency to carry
 2 out approval, reauthorization, and compliance
 3 investigations of vendors.”.

4 (u) *STUDY AND REPORT ON COST CONTAINMENT*
 5 *PRACTICES.*—

6 (1) *STUDY.*—*The Comptroller General of the*
 7 *United States shall conduct a study on the effect of*
 8 *cost containment practices of States under the special*
 9 *supplemental nutrition program for women, infants,*
 10 *and children authorized under section 17 of the Child*
 11 *Nutrition Act of 1966 (42 U.S.C. 1786) for the selec-*
 12 *tion of vendors and approved food items (other than*
 13 *infant formula) on—*

14 (A) *program participation;*

15 (B) *access and availability of prescribed*
 16 *foods;*

17 (C) *voucher redemption rates and actual*
 18 *food selections by participants;*

19 (D) *participants on special diets or with*
 20 *specific food allergies;*

21 (E) *participant consumption of, and satis-*
 22 *faction with, prescribed foods;*

23 (F) *achievement of positive health outcomes;*
 24 *and*

25 (G) *program costs.*

1 (2) *REPORT.*—Not later than 2 years after the
2 date of enactment of this Act, the Comptroller General
3 shall submit to the Secretary of Agriculture, the Com-
4 mittee on Education and the Workforce of the House
5 of Representatives, and the Committee on Agriculture,
6 Nutrition, and Forestry of the Senate a report con-
7 taining the results of the study conducted under para-
8 graph (1).

9 (v) *STUDY AND REPORT ON WIC SERVICES.*—

10 (1) *STUDY.*—The Comptroller General of the
11 United States shall conduct a study that assesses—

12 (A) the cost of delivering services under the
13 special supplemental nutrition program for
14 women, infants, and children authorized under
15 section 17 of the Child Nutrition Act of 1966 (42
16 U.S.C. 1786), including the costs of implement-
17 ing and administering cost containment efforts;

18 (B) the fixed and variable costs incurred by
19 State and local governments for delivering the
20 services;

21 (C) the quality of the services delivered, tak-
22 ing into account the effect of the services on the
23 health of participants; and

24 (D) the costs incurred for personnel, auto-
25 mation, central support, and other activities to

1 *deliver the services and whether the costs meet*
 2 *Federal audit standards for allowable costs*
 3 *under the program.*

4 (2) *REPORT.*—*Not later than 3 years after the*
 5 *date of enactment of this Act, the Comptroller General*
 6 *shall submit to the Secretary of Agriculture, the Com-*
 7 *mittee on Education and the Workforce of the House*
 8 *of Representatives, and the Committee on Agriculture,*
 9 *Nutrition, and Forestry of the Senate a report con-*
 10 *taining the results of the study conducted under para-*
 11 *graph (1).*

12 **SEC. 204. NUTRITION EDUCATION AND TRAINING.**

13 *Section 19(i) of the Child Nutrition Act of 1966 (42*
 14 *U.S.C. 1788(i)) is amended—*

15 (1) *by striking the subsection heading and all*
 16 *that follows through paragraph (3)(A) and inserting*
 17 *the following:*

18 “(i) *AUTHORIZATION OF APPROPRIATIONS.*—

19 “(1) *IN GENERAL.*—

20 “(A) *FUNDING.*—*There are authorized to be*
 21 *appropriated such sums as are necessary to*
 22 *carry out this section for each of fiscal years*
 23 *1997 through 2003.”; and*

24 (2) *by redesignating paragraphs (4) and (5) as*
 25 *paragraphs (2) and (3), respectively.*

1 **TITLE III—COMMODITY**
 2 **DISTRIBUTION PROGRAMS**

3 **SEC. 301. COMMODITY DISTRIBUTION PROGRAM REFORMS.**

4 (a) *COMMODITY SPECIFICATIONS.*—Section 3(a) of the
 5 *Commodity Distribution Reform Act and WIC Amend-*
 6 *ments of 1987 (Public Law 100–237; 7 U.S.C. 612c note)*
 7 *is amended by striking paragraph (2) and inserting the fol-*
 8 *lowing:*

9 “(2) *APPLICABILITY.*—Paragraph (1) shall apply
 10 to—

11 “(A) *the commodity supplemental food pro-*
 12 *gram authorized under sections 4(a) and 5 of the*
 13 *Agriculture and Consumer Protection Act of*
 14 *1973 (Public Law 93–86; 7 U.S.C. 612c note);*

15 “(B) *the food distribution program on In-*
 16 *dian reservations authorized under section 4(b)*
 17 *of the Food Stamp Act of 1977 (7 U.S.C.*
 18 *2013(b)); and*

19 “(C) *the school lunch program authorized*
 20 *under the National School Lunch Act (42 U.S.C.*
 21 *1751 et seq.).”.*

22 (b) *CUSTOMER ACCEPTABILITY INFORMATION.*—Sec-
 23 *tion 3(f) of the Commodity Distribution Reform Act and*
 24 *WIC Amendments of 1987 (Public Law 100–237; 7 U.S.C.*

1 612c note) is amended by striking paragraph (2) and in-
 2 serting the following:

3 “(2) *CUSTOMER ACCEPTABILITY INFORMATION.*—

4 “(A) *IN GENERAL.*—The Secretary shall en-
 5 sure that information with respect to the types
 6 and forms of commodities that are most useful is
 7 collected from recipient agencies participating in
 8 programs described in subsection (a)(2).

9 “(B) *FREQUENCY.*—The information shall
 10 be collected at least once every 2 years.

11 “(C) *ADDITIONAL SUBMISSIONS.*—The Sec-
 12 retary—

13 “(i) may require submission of infor-
 14 mation described in subparagraph (A) from
 15 recipient agencies participating in other do-
 16 mestic food assistance programs adminis-
 17 tered by the Secretary; and

18 “(ii) shall provide the recipient agen-
 19 cies a means for voluntarily submitting cus-
 20 tomer acceptability information.”.

21 **SEC. 302. FOOD DISTRIBUTION.**

22 (a) *IN GENERAL.*—Sections 8 through 12 of the Com-
 23 modity Distribution Reform Act and WIC Amendments of
 24 1987 (Public Law 100–237; 7 U.S.C. 612c note) are amend-
 25 ed to read as follows:

1 **“SEC. 8. AUTHORITY TO TRANSFER COMMODITIES BE-**
2 **TWEEN PROGRAMS.**

3 “(a) *TRANSFER.*—Subject to subsection (b), the Sec-
4 retary may transfer any commodities purchased for a do-
5 mestic food assistance program administered by the Sec-
6 retary to any other domestic food assistance program ad-
7 ministered by the Secretary if the transfer is necessary to
8 ensure that the commodities will be used while the commod-
9 ities are still suitable for human consumption.

10 “(b) *REIMBURSEMENT.*—The Secretary shall, to the
11 maximum extent practicable, provide reimbursement for the
12 value of the commodities transferred under subsection (a)
13 from accounts available for the purchase of commodities
14 under the program receiving the commodities.

15 “(c) *CREDITING.*—Any reimbursement made under
16 subsection (b) shall—

17 “(1) be credited to the accounts that incurred the
18 costs when the transferred commodities were origi-
19 nally purchased; and

20 “(2) be available for the purchase of commodities
21 with the same limitations as are provided for appro-
22 priated funds for the reimbursed accounts for the fis-
23 cal year in which the transfer takes place.

24 **“SEC. 9. AUTHORITY TO RESOLVE CLAIMS.**

25 “(a) *IN GENERAL.*—The Secretary may determine the
26 amount of, settle, and adjust all or part of a claim arising

1 *under a domestic food assistance program administered by*
 2 *the Secretary.*

3 “(b) *WAIVERS.*—*The Secretary may waive a claim de-*
 4 *scribed in subsection (a) if the Secretary determines that*
 5 *a waiver would serve the purposes of the program.*

6 “(c) *AUTHORITY OF THE ATTORNEY GENERAL.*—*Noth-*
 7 *ing in this section diminishes the authority of the Attorney*
 8 *General under section 516 of title 28, United States Code,*
 9 *or any other provision of law, to supervise and conduct liti-*
 10 *gation on behalf of the United States.*

11 **“SEC. 10. PAYMENT OF COSTS ASSOCIATED WITH REMOVAL**
 12 **OF COMMODITIES THAT POSE A HEALTH OR**
 13 **SAFETY HAZARD.**

14 “(a) *IN GENERAL.*—*The Secretary may use funds*
 15 *available to carry out section 32 of the Act of August 24,*
 16 *1935 (49 Stat. 774, chapter 641; 7 U.S.C. 612c), that are*
 17 *not otherwise committed, for the purpose of reimbursing*
 18 *States for State and local costs associated with the removal*
 19 *of commodities distributed under any domestic food assist-*
 20 *ance program administered by the Secretary if the Sec-*
 21 *retary determines that the commodities pose a health or*
 22 *safety hazard.*

23 “(b) *ALLOWABLE COSTS.*—*The costs—*

1 “(1) may include costs for storage, transpor-
 2 tation, processing, and destruction of the hazardous
 3 commodities; and

4 “(2) shall be subject to the approval of the Sec-
 5 retary.

6 “(c) *REPLACEMENT COMMODITIES.*—

7 “(1) *IN GENERAL.*—The Secretary may use funds
 8 described in subsection (a) for the purpose of purchas-
 9 ing additional commodities if the purchase will expedite
 10 replacement of the hazardous commodities.

11 “(2) *RECOVERY.*—Use of funds under paragraph
 12 (1) shall not restrict the Secretary from recovering
 13 funds or services from a supplier or other entity re-
 14 garding the hazardous commodities.

15 “(d) *CREDITING OF RECOVERED FUNDS.*—Funds re-
 16 covered from a supplier or other entity regarding the haz-
 17 ardous commodities shall—

18 “(1) be credited to the account available to carry
 19 out section 32 of the Act of August 24, 1935 (49 Stat.
 20 774, chapter 641; 7 U.S.C. 612c), to the extent the
 21 funds represent expenditures from that account under
 22 subsections (a) and (c); and

23 “(2) remain available to carry out the purposes
 24 of section 32 of that Act until expended.

1 **“SEC. 11. AUTHORITY TO ACCEPT COMMODITIES DONATED**
2 **BY FEDERAL SOURCES.**

3 “(a) *IN GENERAL.*—*The Secretary may accept dona-*
4 *tions of commodities from any Federal agency, including*
5 *commodities of another Federal agency determined to be ex-*
6 *cess personal property pursuant to section 202(d) of the*
7 *Federal Property and Administrative Services Act of 1949*
8 *(40 U.S.C. 483(d)).*

9 “(b) *USE.*—*The Secretary may donate the commod-*
10 *ities received under subsection (a) to States for distribution*
11 *through any domestic food assistance program administered*
12 *by the Secretary.*

13 “(c) *PAYMENT.*—*Notwithstanding section 202(d) of the*
14 *Federal Property and Administrative Services Act of 1949*
15 *(40 U.S.C. 483(d)), the Secretary shall not be required to*
16 *make any payment in connection with the commodities re-*
17 *ceived under subsection (a).”.*

18 “(b) *EFFECT ON PRIOR AMENDMENTS.*—*The amend-*
19 *ment made by subsection (a) does not affect the amendments*
20 *made by sections 8 through 12 of the Commodity Distribu-*
21 *tion Reform Act and WIC Amendments of 1987 (Public*
22 *Law 100–237; 7 U.S.C. 612c note), as in effect on Septem-*
23 *ber 30, 1998.*

1 ***TITLE IV—EFFECTIVE DATE***

2 ***SEC. 401. EFFECTIVE DATE.***

3 *Except as otherwise provided in this Act, this Act and*
4 *the amendments made by this Act take effect on October*
5 *1, 1998.*

Attest:

Secretary.

105TH CONGRESS
2^D SESSION

H. R. 3874

AMENDMENT

HR 3874 EAS—2

HR 3874 EAS—3

HR 3874 EAS—4

HR 3874 EAS—5